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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07/25/07

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- (1) 2007 Upper House election: Iraq and North Korea -- Efforts to develop closer alliance ties undercut by diplomacy by-passing Japan

TOKYO SHIMBUN (Page 1) (Excerpts)
July 24, 2007

There is a strange map showing the Korean Peninsula and the Chinese Continent above the Japanese Archipelago drawn upside down. This map is stuck on the wall of the office of a spokesman for the Joint Staff Office, which controls Air-Self Defense Force (ASDF) personnel dispatched to Iraq. One MSDF personnel, who was once dispatched to

Iraq, categorically said, "What we are doing in Iraq is for the sake of the Japan-US alliance and to defend against North Korea."

Lieutenant General Kunio Orita, general commander of the MSDF troops dispatched to Iraq, reiterated the meaning of dispatching MSDF personnel to those who have been assigned to the Iraqi mission, "You will defend the Sea of Japan and our territory in the land of Mesopotamia."

The major duty of MSDF troops in Iraq is transporting US servicemen. Colonel Ichiro Ukisu responsible for dispatching MSDF personnel at Komaki Air Base stressed, "Supporting the US, which is distressed over its Iraq policy, will lead to developing a closer Japan-US relationship."

An MSDF source revealed his experience at the US command post in Qatar about 600 kilometers in the southeast of Iraq: "When we were taken to US forces' command post before dispatching SDF personnel, images showing US operations were deleted. US forces revealed the details of their operations, including attacks on enemy's hide-out a year later, but they did not let us enter the intelligence office. However, we had a briefing in that office last fall." The closer Japan-US relationship of alliance is in a way the fruit of MSDF personnel's efforts.

MSDF operations are quite a contrast to Ground Self-Defense Force (GSDF) troops' operations in Samawah, which impressed the Japanese people. GSDF troops kept their distance from US troops. In a Japanese way, they carried out water-supply services, reconstructed and maintained public facilities, and their efforts were highly appreciated. However, a GSDF source admitted that there was a tacit agreement on role-sharing between US and GSDF troops. The same source noted, "The GSDF was for the first time able to accomplish

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international contribution activities in a tangible manner thanks to the MSDF assisting the US in the background."

The presence of the ASDF served as a symbol of the bilateral alliance and as the premise of new international contribution achieved by the GSDF. The same source said: "The reality is that Japan must depend on US forces even regarding obtaining intelligence on the Chinese continent and the Korean Peninsular. Since it is not possible for the SDF alone to defend Japan, it is meaningful for it to win the trust of the US military."

President Bush during the bilateral summit with Prime Minister Abe this April stated, "My strong feeling toward the abduction issue will never weaken." His words satisfied Abe, who had expressed his support for the US Iraq policy.

However, the US's handling of North Korea policy after that has made the Japanese side harbor many doubts about the "solid alliance." Dissatisfaction is being felt in Japan over the progress of bilateral talks between the US and North Korea that are bypassing Japan, which attaches importance to the abduction issue.

Kazuhiro Araki, representative of the Investigation Commission on Missing Japanese Probably related to N. Korea, warned: "The abduction of Japanese nationals is after all an affair of another country for the US. We must not think that the US will take care of the abduction issue since Japan and the US have a relationship of alliance. If we totally leave the issue up to the US to work out, it will in the end wrap up the issue at its convenience."

The North Korean top envoy to the six-party chief delegates' talks held in Beijing this month harshly lashed out at Japan with a look that was quite different from the smile he showed to the US, when he shook hands with the US chief envoy. He quipped, "The problem will never be settled by pressure alone." He acted as if as if the US and Japan were walking on different paths, far from being in monolithic unity.

(2) 2007 Upper House election campaign issues -- Sense of alarm against North Korea weak

"Families of Japanese abductees have been desperately fighting. I want to see heated debates by political parties on what must be done to drive Kim Jong Il's regime into a tight corner."

This comment came from a visibly disappointed Ryutaro Hirata, chief secretary of the National Association for the Rescue of Japanese

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Kidnapped by North Korea.

A South Korean ship carrying heavy fuel oil left for North Korea on July 12, the day the official campaign for the July 29 House of Councillors election kicked off in Japan. This was followed by Pyongyang's announcement that it had shut down nuclear facilities in Yongbyon and the resumption on July 18 of the six-party talks. An ostensibly weakening sense of crisis has pushed North Korean issues to a backburner in the ongoing election campaign.

On July 5, 2006, North Korea fired a series of missiles toward the Sea of Japan, causing a strong sense of alarm in Japan. The North

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conducted a nuclear test on October 9, as well. This prompted the Abe administration to set up an abduction issue taskforce that eventually produced a list of six items to deal severely with the situation. An acute sense of alarm against the North is visibly absent today in the final stage of the election campaign.

Prime Minister Abe has always concluded his campaign speech with this message: "For the sake of national prestige, we will resolutely deal with the abduction issue until all abductees can set foot on their motherland."

Meanwhile, Pyongyang is eager to see the hard-edged Abe administration removed from power. The Nodong Shinmun, the Korean Workers Party organ paper, carried a commentary on July 23 that went: "Shinzo Abe and his gang must voluntarily resign from power to break with corrupt politics."

Although North Korea has adopted a "smile diplomacy" aimed at improving relations with the United States, there is a long way to go before it abandons its nuclear programs. A Japan-DPRK working group, established during the latest round of six-party talks, is expected to meet in August to discuss ways to normalize bilateral relations. Japan is urged to come up with innovative ideas to press the North hard at the meeting in order to find a breakthrough in the abduction issue.

To that end, it is essential for Japan to align with other six-party members, especially the United States. But the United States' priority is to denuclearize North Korea. Pyongyang has urged Washington to remove North Korea from its list of state sponsors of terrorism as a condition for denuclearization. US Assistant Secretary of State Christopher Hill, US chief delegate to the

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six-party talks, indicated in a press conference on July 23 that the US-DPRK working group would continue discussing in August the question of delisting North Korea. Efforts must be made to bridge the gap with Japan's standpoint that North Korea must not be removed from the US list until the abduction issue is resolved.

The LDP has fielded Kyoko Nakayama, advisor to the prime minister on the abduction issue, on the proportional representation segment in line with Abe's intention to demonstrate to Kim Jong Il Japan's strong interest in the abduction issue.

With Japan's presence in the six-party talks waning, former LDP Secretary General Koichi Kato harshly criticized the Abe

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administration's North Korea policy in a speech in Tokyo on July 17: "There have been major developments between Washington and Pyongyang

over the North Korean nuclear issue. Prime Minister Abe's foreign policy is too ideological and that has been preventing the administration from taking flexible steps."

"I want to warmly embrace my daughter, Megumi, but the abduction issue is a state-level issue. A mother is helpless; I have no other option but to rely on politics." This message by Sakie Yokota of the Association of the Families of Victims of Kidnapped by North Korea is directed to all those running in the Upper House election.

(3) Editorial: Election 2007 - Diplomacy; "Principles" are important

MAINICHI (Page 5) (Slightly abridged)
July 25, 2007

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Pensions, the consumption tax, jobs: While debates in the Upper House election campaign focus on domestic issues, Japan faces an increasingly difficult state of affairs on the international scene. Friction has arisen in relations with the US over the "comfort women" issue and over the atomic bombings of Hiroshima and Nagasaki. And meanwhile, the North Korean threat has not gone away. A certain doubt festers in people's minds - "Is it enough to rely solely on the US-Japan alliance?" Discussions about diplomacy remain quiet in the campaign, but public awareness of international issues is likely to have an impact, however small, on the upcoming elections.

In short, Japan has no "principles." This assertion was made forty years ago by Jiro Shirasu, who as then-Prime Minister Shigeru Yoshida's right-hand man negotiated with GHQ (Supreme Commander for the Allied Powers). According to Shirasu, there was a need to clarify Japan's "principles" in order to deal with Europe and the US, as acquiescence without "principles" was simply "smoke and mirrors aimed at a temporary fix" (Japan without principles (Purinshiparu no nai nihon), published by Shincho Bunko).

Swayed by this way of thinking, Japan's response to the "comfort women" issue may have seemed like a game of "smoke and mirrors." When Prime Minister Shinzo Abe denied that there was any "coercion in the narrow sense" (on the part of the military), the US media accused him of "double talk." The ad that Japanese Diet members placed in a US newspaper backfired, and the US House of Representatives Committee on Foreign Affairs passed a resolution calling on Japan to apologize. There is a strong chance that the full House will pass the resolution, as well.

Of course, this does not mean that the US view of history is correct. For example, US officials have stated that the atomic bombings of Hiroshima and Nagasaki saved the lives of millions of Japanese civilians and US soldiers. This may sound wild, but the US, too, has its own "postwar regime." If the Abe administration aims to "break away from the postwar regime," it must exercise patience and perseverance in obtaining the understanding of the worldwide community.

The upcoming election seems to be a turning point in US-Japan relations. Although the Democratic Party of Japan (Minshuto) places great importance on the US-Japan alliance, it is critical of providing support for the US in the Iraq War and the "war on terrorism." The Anti-Terrorism Special Measures Law, under which the Maritime Self-Defense Force takes part in refueling missions in the Indian Ocean, is set to expire in the fall. Even if the ruling coalition is able to win a majority in the Upper House, the conflict between the ruling coalition and the opposition parties over the US-Japan alliance, including the Air Self-Defense Force's missions in Iraq, is sure to increase in intensity.

Meanwhile, some in the Liberal Democratic Party insist that unless Japan cooperates with the US, it cannot overcome problems with North Korea. They see China's military expansion also as a threat. However, they have been using this same logic since before the start of the Iraq War in 2003. The Japanese government immediately supported the Iraq War and sent the Self-Defense Forces to southern Iraq. Yet at a time when Japan's safety is threatened by North

Korea's missile launches and its nuclear test, the US is focusing on China as its main partner in the six-party talks.

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We thus find the LDP's use of the same logic to explain the necessity of the US-Japan alliance unconvincing. In Asia today, China, Russia, and India among others are developing an active diplomacy, a pursuit which some call the "great game" of the 21st century. Solidarity with the US is important, but that alone is not enough to survive. Both the LDP and the DPJ must respond to citizen awareness of international issues and more concretely discuss how Japan should face the future.

(4) 2007 Upper House election; Probe into economic policy; Interview with Hitoshi Tanaka, senior fellow at Japan International Exchange Center, on theme of trade policy; Top priority should be given to EPA with East Asia

NIHON KEIZAI (Page 5) (Full)
July 25, 2007

-- What are Upper House election campaign issues in terms of trade policy?

"It is important to be able to come up with a trade policy envisioning the Japanese economy 10 or 20 years from now, and factoring in global trends in trade and investment. Given Japan's mature economy, aging population and the decline in the birthrate, it is difficult for our country to achieve high economic growth through domestic demand alone. It must have frontrunner status in terms of economic partnership agreements (EPA), and maintain and strengthen industrial competitiveness and the labor force. It needs to press ahead with a drive to promote liberalization, not through responding to foreign pressure but through the use of political influence in a proactive manner."

-- Do you think political parties have a blue print for an EPA strategy?

"In my view, both the ruling and opposition camps need to come up with a clear determination to build a so-called East Asian Community through the signing of EPAs with countries that are geographically close to Japan and expected to achieve high growth in the future. In particular, EPAs between Japan, China, South Korea, India, New Zealand and 16 ASEAN member nations are expected to push up Japan's GDP by approximately 5 trillion yen. Top priority should be given to EPAs.

Farm households' competitiveness must be boosted

-- South Korea has signed an FTA with the US. What is your view of this?

"There is criticism that if major powers like Japan, the US and the EU sign FTA's, trade liberalization talks at the World Trade Organization would stall. However, domestic industries, which would suffer disadvantage over auto exports as a result of trade liberalization under the WTO, have strongly requested the promotion of FTA's. It would be possible to promote EPA talks with the US and European countries, after making it clear that business tie-ups with East Asia are the top-priority issue."

-- In-depth discussion of reform of the agricultural sector, which is working as a drag on Japan's trade strategy, has yet to occur. Japan is perhaps the only country that protects specified items with tariffs as high as several hundred percent. If Japan were to open

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its market by substantively lowering tariffs, trade talks would go smoothly. To that end, it would be better to adopt an income subsidy system to make up for the loss in farmers' income when the prices of agricultural products drop. In the event of compensating farmers' income, it would be necessary to concurrently further encourage

joint stock companies' entry into the agricultural sector and implement measures to expand the scale of farm households. The cost competitiveness of Japan's agricultural products must be strengthened through cost reduction."

-- Accepting foreign workers is another point at issue.

"Given the manifestos of the ruling and opposition parties, liberalization of the labor market does not appear to be major campaign issue. It is necessary for Japan to use EPAs to secure needed labor for the workforce, such as computer-related skilled workers and nurses. Japan's labor market is still rigid, compared with that of the US and other countries. If the situation is left unheeded, it will have an adverse impact on the economy."

Urges establishment of interest coordination organ

-- In some areas, trade strategy has made little progress due to the clash of interests between farmers and industrial interests.

"It is necessary to quickly establish an independent organ responsible for coordinating domestic interests. The ruling and opposition camps should cooperate to create a mechanism, under which an industry-government-academia body composed of private citizens from the agricultural and manufacturing sectors propose an EPA strategy with a view to the future of Japan. They would also propose a set of necessary steps to reform the agricultural sector and the labor market in order to achieve that end. The body would make sure that the proposed mechanism would become the government's policy. The ruling and opposition camps also should show their determination to make sure that Japan takes the lead in global trade policy."

SCHIEFFER